



## NORTH CAROLINA

OFFICE OF THE TREASURER

JANET COWELL, TREASURER

### **Department of State Treasurer Request for Special Provision Items Appropriations Subcommittee on General Government**

The Department requests that two special provisions be included in the sub-committee's report to the full committee.

#### First Request

**Chapter 116B-7(a) of the General Statutes reads as rewritten:**

§ 116B-7. Distribution of fund.

(a) The income derived from the investment or deposit of the Escheat Fund shall be distributed annually on or before ~~July 15~~ August 15 to the State Education Assistance Authority for grants and loans to aid worthy and needy students who are residents of this State and are enrolled in public institutions of higher education in this State. Such grants and loans shall be made upon terms, consistent with the provisions of this Chapter, pursuant to which the State Education Assistance Authority makes grants and loans to other students under G.S. 116-201 to 116-209.23, Article 23 of Chapter 116 of the General Statutes, policies of the Board of Governors of The University of North Carolina regarding need-based grants for students of The University of North Carolina, and policies of the State Board of Community Colleges regarding need-based grants for students of the community colleges.

*This provision changes the distribution date when the Department transfers funds from the Escheats pool to the State Education Assistance Authority for the purpose of grants and loans to needy students. This change in date will streamline the accounting procedures and has the support of the SEAA.*

#### Second Request

**Chapter § 147-69.3.(f) of the General Statutes reads as rewritten:**

Chapter § 147-69.3.(f) Investment management

(f) The cost of administration, management, and operation of investment programs established pursuant to this section shall be apportioned equitably among the programs in such manner as may be prescribed by the State Treasurer, such costs to be paid from each program, and to the extent not otherwise chargeable directly to the income or assets of the specific investment



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~~program or pooled investment vehicle, shall be otherwise allocated as determined by the Treasurer, deposited with the State Treasurer as a General Fund nontax revenue. The cost of administration, management, and operation of investment programs established pursuant to this section and not directly paid from the income or assets of such program shall be covered by an appropriation to the State Treasurer for this purpose in the Current Operations Appropriations Act.~~

### **Chapter 147-68.1 of the General Statutes reads as rewritten:**

#### **§ 147-68.1. Banking operations.**

~~The cost of administration, management, and operations of the banking operations of the Department of State Treasurer shall be paid for through the investment program or pooled investment vehicle and shall be apportioned equitably among the funds and programs using these services, as determined by the Treasurer, and the costs so apportioned shall be deposited with the State Treasurer as a general fund nontax revenue. The cost of administration, management and operations of the banking operations of the Department of State Treasurer shall be covered by an appropriation to the State Treasurer for this purpose in the Current Operations Appropriations Act. (1983 (Reg. Sess., 1984), c. 1034, s. 118.)~~

*The second provision will complete a process begun three years ago by removing the Banking and Investment operations at the Department from the General Fund "loop." The General Assembly has already removed the State and Local Government Finance Division from the "loop".*

*This accounting procedure really serves no useful function. It complicates accounting and reduces transparency. It would not reduce control of Department spending by the General Assembly, as all spending by the Department must be approved by the General Assembly regardless of the fact that we are receipt supported.*

*One further point: Given that Banking and Investments are the only two divisions tied to the general fund, any cuts made to the Department now fall entirely on those two operations. They would not be spread over the entire Department. This would result in drastic cuts to those divisions should the Department be instructed to cut spending.*



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